

DRAFT: CREATION OF A BALANCED BUDGET REQUIREMENT

** Note that where the term “Manager” is used, for the duration of the Strong Mayor pilot, that term refers to the Mayor of the City of San Diego.*

ISSUE	BRIGGS	INGRAM	ALTERNATIVE BASED ON SUBCOMMITTEE FEEDBACK
Basic Requirement	The operations of the City shall be such that, at the end of the fiscal year, the results thereof shall not show a deficit when reported in accordance with generally accepted accounting principles. The City Manager shall take all actions necessary in accordance with the provisions of the charter to ensure that the City is in compliance with this Section.	The operations of the City shall be such that, at the end of the fiscal year, the results thereof shall not show a deficit when reported in accordance with generally accepted accounting principles.	The operations of the City shall be such that, at the end of the fiscal year, the results thereof shall not show a deficit when reported in accordance with generally accepted accounting principles.
Consequences for lack of a balanced budget	In the even that the results of the City’s operations during the preceding fiscal year have not comported with Charter Section ###, the City Manager shall present to the City Council a financial plan that includes provision for the repayment of any deficit incurred by the City during the preceding fiscal year.	The operations of the City shall be such that, at the end of the fiscal year, the results thereof shall not show a deficit when reported in accordance with generally accepted accounting principles. In the event that the results of the City’s operations during the preceding fiscal year have not comported with this requirement, the City shall make provision for repayment of any deficit incurred by the City during said fiscal year.	In the even that the results of the City’s operations during the preceding fiscal year have not comported with Charter Section ###, the City Manager shall present to the City Council for approval a financial plan that includes provision for the repayment of any deficit incurred by the City during the preceding fiscal year.
Applies to both Capital and Operational Budget	The City Manager shall prepare a preliminary Capital Budget which shall consist of a financial plan detailing estimates of capital expenditures for the fiscal year. This		Both operating and capital budgets shall be a part of the City’s financial process. The City Manager shall prepare a preliminary Capital Budget which shall consist of a

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	plan shall include cash flow estimates and proposed sources of funding for each project included. The City Manager shall prepare a capital program status report which sets forth the appropriation for each project included in the capital budget for the current fiscal year together with the expenditures to date.		financial plan detailing estimates of capital expenditures for the fiscal year. This plan shall include cash flow estimates and proposed sources of funding for each project included. The City Manager shall prepare a capital program status report which sets forth the appropriation for each project included in the capital budget for the current fiscal year together with the expenditures to date.
Authority to Ensure Balanced Budget with Mid-year Corrections		The operations of the City shall be such that, at the end of the fiscal year, the results thereof shall not show a deficit when reported in accordance with generally accepted accounting principles. In the event that the results of the City’s operations during the preceding fiscal year have not comported with this requirement, the City shall make provision for repayment of any deficit incurred by the City during said fiscal year. If the Mayor determines during the course of any fiscal year that the City will end the year with a deficit when reported in	If the City Manager determines during the course of any fiscal year that the City will end the year with a deficit, then the City Manager shall reduce the expenditures City departments by appropriate amounts sufficient to prevent the City from showing said deficit.

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		accordance with generally accepted accounting principles, then the Mayor shall reduce the expenditures of all City departments by a percentage sufficient to prevent the City from showing said deficit. All departments shall have their appropriations reduced by the same percentage, to ensure that the relative amounts allocated for all departments remain at the levels established by the City’s budget.	